

## RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors  
December 10, 2007

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met on December 10, 2007, at 230 Spring Hill Drive, Suite 325, Spring, Texas 77386, in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Danny E. Agans, President  
Michael Smith, Vice President  
Jon Vallery, Secretary  
Charles W. Venema, Director  
Duane Burrell, Director

and the following absent:

None.

Also present were Vickey Sullivan, Jason Hajduk, Lonnie Wright, John Montgomery, Constable Tim Holifield, Bill Russell, Jim Nichols and Herman I. Little, Jr.

The President called the meeting to order and declared it open for such business as might regularly come before it.

1. Minutes of the meeting of November 12, 2007 were presented and reviewed. Upon motion by Director Vallery, seconded by Director Burrell, the Board voted unanimously to approve the minutes as presented.

2. The Chair announced that the Board would meet in an executive session (closed meeting) in accordance with Texas Government Code to deliberate the deployment for implementation of security personnel or devices. The public meeting was closed at 7:03 p.m.

3. At 7:50 p.m., the Board reconvened in a public meeting.

4. Tim Holifield presented a law enforcement report. The Constable is using a new report format, and the report contains much more useful information. There were only two serious crimes in the District during the month, and this is very rare in a community with a population of more than 10,000. There were two DWI's and two family violence calls during the month.

The Board then reviewed the interlocal agreement for law enforcement services with Montgomery County. Constable Holifield noted that the county has requested four changes in the form of agreement that had been approved by the Board. The Board reviewed the changes, and upon motion by Director Smith, seconded by Director Burrell, the Board voted unanimously to approve and authorize signing the revised interlocal agreement for law enforcement services as presented. Constable Holifield will deliver the signed documents to the

county for approval by the Commissioners Court.

There was discussion of the auto allowance that had been paid to Sergeant Brown. It was mentioned that another vehicle will be needed to bring the District's law enforcement staffing up to the level prescribed in the contract. Constable Holifield noted that all equipment for a new vehicle is available. After discussion, upon motion by Director Venema, seconded by Director Burrell, the Board voted unanimously to authorize Montgomery County to purchase a new vehicle for patrol in the District under the District's interlocal agreement.

5. Vickey Sullivan presented a tax assessor/collector's report. 2007 taxes are 3.7% collected. 2006 taxes are 99.6% collected. After discussion, upon motion by Director Venema, seconded by Director Burrell, the Board voted unanimously to approve the tax assessor/collector's report as presented.

6. Lonnie Wright presented an operator's report. The District had total revenues of \$203,465.16 during the month. There are 3,721 connections in the District, and there are only 43 vacant accounts at this time. The District accounted for 110% of water produced. Ten bacteriological samples were taken, and all were satisfactory. The wastewater treatment plant operated properly at 75% of capacity. Six water leaks were repaired during the month. Three taps were made, bringing the total to 146 for the year-to-date. The operator presented a list of delinquent accounts that are uncollectible totaling \$332.67. Lonnie Wright recommended that the Board write off the accounts and turn the accounts over to the collection agency.

Lonnie Wright presented a report on repairs that were made at 1502 Moston. The customer had requested replacement of one full section of the driveway, and the customer contends that cracks in the driveway resulted from work performed by the District's operator. The Board reviewed photographs of the driveway, and after discussion, upon motion by Director Venema, seconded by Director Burrell, the Board voted unanimously to authorize replacement of the lower portion of the driveway only at 1502 Moston as recommended by the operator. Upon motion by Director Smith, seconded by Director Venema, the Board voted unanimously to write off the delinquent accounts as recommended by the operator.

Lonnie Wright reported that the park and recreation facilities were mowed, and one dead tree was removed.

7. Bill Russell presented a bookkeeper's report, a copy of which is attached to the minutes. After payment of bills at this meeting, the debt service fund balance will stand at \$1,606,679.35. The capital projects fund balance is \$1,592,514.10. Following approval of a transfer check, the general fund balance will be \$419,337.40. The budget comparison report indicates that the District has revenues greater than expenses of \$223,199.28 for six months of the fiscal year to date. It was mentioned that no 2007 maintenance tax revenues have been deposited into the account, to date. Upon motion by Director Vallery, seconded by Director Burrell, the Board voted unanimously to approve the bookkeeper's report and to authorize payment of bills listed thereon.

8. Jason Hajduk presented an engineer's report. Construction is underway on the Rayford Road and Robinson Road projects. Director Smith noted that there have been cuts in Robinson Road, and more pavement is needed to avoid severe bumps in the pavement.

Mr. Hajduk reported that in Imperial Oaks Park, Sections Ten and Eleven, the District inspected all manholes and inlets on November 16, 2007, and debris was removed from the storm sewer system. There was silt at the outfall into Drainage District 10, and a 4' x 4' box culvert is approximately 50% full. The detention basin needs to be cleaned by Drainage District 10, and after this has been done, there may be additional silt to be removed from the District's storm sewer.

The TCEQ approved reimbursement of the developer for \$21,413 for interest expenses associated with the reimbursement previously approved by TCEQ. Mr. Hajduk reported that at the end of Regal Park in Imperial Oaks Park, Section Nine, the drainage system is holding water. The engineer will ask the operator to construct a swale into the Drainage District 10 basin to alleviate the standing water. The cost is estimated to be approximately \$4,500. After discussion, upon motion by Director Venema, seconded by Director Burrell, the Board voted unanimously to authorize the District's operator to construct a swale at the end of Regal Park as recommended by the District's engineer.

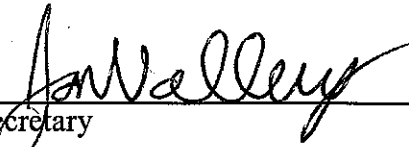
The Board reviewed an environmental study prepared by Berg Oliver with regard to groundwater remediation activities associated with the Charlie Burch disposal site. The report indicates that the contaminated groundwater is more than 4,000 feet from the District's Well No. 1 and more than 5,000 feet from Well No. 2. In addition, the contaminated groundwater is in a formation approximately 300 feet above the pumping level for the District's wells. There is 300 feet of clay protecting the aquifer from which the District's groundwater is produced.

It was mentioned that the report has value to the District, as well as to Montgomery County Municipal Utility Districts No. 99 and 115. There was a proposal that the District pay one-third of the costs of the report and that the other districts each pay one-third. Upon motion duly made, seconded and unanimously carried, the Board approved payment of one-third of the Berg Oliver invoice, and the bookkeeper presented a check for payment of the invoice.

9. There was discussion of the South Montgomery County Storm Water Coalition. Herman Little reported on actions taken by the Coalition led by Montgomery County Drainage District No. 6. It was recommended that the District's operator be authorized to attend future meetings of the Coalition to have maximum representation by the District.

10. Director Smith requested that a proposal be obtained for the costs of patrolling the Kroger Center for consideration by the Board. Director Venema noted that the new community patrol will have visibility in the community and will complement law enforcement services that are being provided to the District.

There being no further business to come before the Board, the meeting was adjourned.

  
Secretary